STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple - Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291 Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8. Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I.	Gene	ral Information
	1.	Report Time Period: From (mo./yr.) 1/2007 To (mo.yr.) 12/2007
	2.	DOGM File Number (Mine No): M450008
	3.	Mine Name: Rowley/Stansbury
	4.	Mineral(s) Mined (or permitted to mine): Magnesium chloride
	5.	Type of mine
	6.	Legal Description (Location of Lands Affected):
		1/4,1/4, Section, Township, Range
		1/4,1/4,1/4, Section, Township, Range
		1/4,1/4,1/4, Section, Township, Range
	7.	Name of Operator or Company: US Magnesium LLC
	8.	Permanent Street Address: 238 North 2200 West
		City, State, Zip: Salt Lake City, Utah 84116
		Phone: 801-532-2043 Fax: 801-596-1132 E-mail: ttripp@usmagnesium.com
	9.	Company Representative (or designated operator):
		Name: G. Thomas Tripp
		Title: Technical Service Manager
		Business Address: 238 North 2200 West
		City, State, Zip: Salt Lake City, Utah 84116
		Phone: 801-532-1522 Fax: 801-596-1132 E-mail: ttripp@usmagnesium.com
		Please check if any of the above information has changed since previous year.
II	Minin	g and Reclamation
	1.	Was there any mine related activity during the past year? Yes ⊠ No □
	2.	If no - what was the last year of activity?
	3.	Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning,
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	47,600 Tons electrolytic magnesium
4.	Briefly describe the type of work performed, during the past year. No surface mining took place during 2006.
5.	How much new or additional acreage was disturbed during the past year? None
6.	How much acreage was reclaimed during the past year? None
7.	Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results. (Submit form MR-SITE for an application for full or partial bond/site release). None
8.	What is the total disturbed acreage of entire project at years end? 62.4 acres
9.	Briefly summarize any mining and/or reclamation plans for the upcoming year.
	There are no mining or reclamation plans for 2006
10.	The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.
NOTE:	Section III., "Additional Information" applies only to large mining operations.
III. <u>Additi</u>	onal Information – R647-4-121-2
1.	Include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.
IV <u>Signat</u>	ture Requirement
I here	eby certify that the foregoing is true and correct.
jb c:\forms\renorts\MR-AR	Name (Typed or Print): Title of Operator: Signature of Operator: Date: G. Thomas Tripp Technical Service Manager Date: 23 January Zoo8